

From: Wayne Hedberg
To: Mary Ann Wright, Minerals
Date: Fri, Jun 4, 1999 9:45 AM
Subject: Phone Call to Lon Thomas - Rosebud Mine (S/003/026)

On June 3, 1999, Lynn Kunzler and I had a conference call with Lon Thomas of American Stone. The call was made in response to Mr. Thomas's concerns over his receipt of the May 27th Division Directive for the Rosebud Mine.

Mr. Thomas was confused by the Directive thinking it was a Notice of Non-compliance. We explained the difference between the two and told him that failure to comply with the Directive would force us to issue a Notice of Noncompliance. He stated he wanted to avoid another noncompliance situation and asked what he could do to fix whatever was wrong at the site.

We told Mr. Thomas that he would need to follow the requirements of the directive as the first step in resolving the permitting concerns with this site. Mr. Thomas expressed concern over the time and expense of having a certified land survey performed and wanted to know if he could explore other options. We told him if he suspected that the disturbance was over 5 acres that he could immediately start the permitting process for a large mine site.

He asked if he could just go out now and reclaim a portion(s) of the disturbed area to make sure his affected area was below the 5 acre threshold. He also asked if he could just transfer a portion of the mine site area (presently 2 small quarry sites @ ½ mile apart) to another party. He also asked what the BLM's position was and what they would be requiring.

I told Mr. Thomas that until we had the survey performed and knew exactly how much area was actually disturbed, we weren't prepared to discuss other "what if" scenarios. I told him that after we know the results of the survey, then we will be prepared to discuss what options may be available to resolve the permitting requirements.

Mr. Thomas was concerned that if the survey does find he is over 5 acres, would we then "throw the book at him". I told him that if he showed a good faith effort in following our directive and subsequently complied with the minerals rules, then we probably wouldn't need to take further enforcement action. We stressed our main concern was to get the site properly permitted and we would work with him in that regard.

We did discuss the possible need to post an interim reclamation bond if the site does exceed the 5 acre threshold and a Large Mine permit is required. Mr. Thomas asked if the site proved to be 5.01 acres would we require a large mine permit and bond, or could he reclaim down below 5 acres and maintain a small mine status. I told him we'd cross that bridge when we came to it, but we haven't ruled anything out yet.

Mr. Thomas asked us if we were aware of any licensed surveyors in the Box Elder County area. Lynn gave him the name and phone number of a person working for the county (Denton Beecher) that may be able to provide assistance in this regard. Mr. Thomas will contact us when he hires a surveyor so we can accompany him onsite during the survey.

A COPY OF THIS EMAIL WILL BE COPIED TO THE MINE FILE - S/003/026.